

Chapter 16 - Types of Contracts

Section 16.1 Use of Cost-Plus-Award-Fee Contracts

16.1.1 PURPOSE

The purpose of this section is to provide guidance for the use of cost-plus-award-fee contracts (CPAF) in accordance with Federal Acquisition Regulation (FAR) 16.405-2 and the Environmental Protection Agency Regulation (EPAAR) 1516.4.

16.1.2 BACKGROUND

The CPAF contract is a cost-reimbursement contract with a fee that rewards the contractor for performance that is better than satisfactory. The fee consists of two components, a base amount and an award amount. The base amount is negotiated and then fixed at the inception of the contract. The award amount is based on the Government's evaluation of the contractor's performance in areas such as quality, timeliness, technical ingenuity, and cost-effective management.

As with any cost reimbursement contract, the contractor is reimbursed for all allowable, allocable, and reasonable costs incurred during contract performance. Additionally, the contractor is paid the base fee amount and that portion of the award fee amount earned during each performance evaluation period. The contractor may earn all, a portion, or none of the available award fee for a particular evaluation period. Earned award fee determinations are made unilaterally by the Fee Determination Official (FDO) who is required to evaluate the contractor's performance in accordance with criteria set forth in the contract.

The basic elements of a CPAF contract are 1) an estimated cost; 2) a base fee; 3) an available award fee, (also referred to as the award fee pool); 4) a maximum fee; 5) an earned award fee which is determined by the Government on a periodic basis; and 6) an award fee plan containing the evaluation criteria which will be used to evaluate the contractor's performance.

This section was originally issued as Chapter 15 of the Contracts Management Manual.

16.1.3 AUTHORITY/APPLICABILITY

The authority of this section is Federal Acquisition Regulation (FAR) 16.405-2 and the Environmental Protection Agency Acquisition Regulation (EPAAR) 1516.4. Cost-plus-award-fee contracts are to be used only if the proposed acquisition is valued at \$25,000,000 or more, and a determination is made by the responsible OAM Division Director to use a cost-plus-award-fee contract.

16.1.4 DEFINITIONS

- A) Base fee - The minimum remuneration that the contractor receives in addition to allowable, allocable, and reasonable costs.
- B) Award Fee Pool - The maximum award fee amount the contract makes available for the contractor to earn. Bilateral agreements on award fee pool amounts appearing in sections B and H of the contract cannot be modified unilaterally by the Government.
- C) Maximum Fee - The maximum total fee (base fee plus award fee pool) amount specified by the contract. The maximum fee must not exceed the applicable limitations prescribed by FAR 15.404-4(c)(4).
- D) Earned award fee - The amount of the award fee pool the Government determines the contractor has earned during an evaluation period.
- E) Award Fee Plan - The plan is unilaterally developed and amended by the Government (subject to the timing limitations specified by EPAAR 1552.216-70 (MAY 2000)). It identifies the various performance categories and describes the associated criteria the Government will use to evaluate the contractor's performance. The plan may repeat or refer to, but not change any provisions of the contract that allocate available award fee pool among two or more performance categories. All award fee plans must disclose the numerical rating the contractor must achieve for its performance to be deemed "above satisfactory" or "excellent" for award fee purposes.
- F) Evaluation Period - The interval during contract performance which is evaluated by the Performance Evaluation Board (PEB) to determine the contractor's earned fee. The length of the evaluation period is established by the Government in the award fee plan.
- G) Floor Fee - The minimum amount below which an offeror may not propose award fee.

16.1.5 POLICY

16.1.5.1 When to Use CPAF Contracts

Before considering the use of a CPAF contract, the CO must ensure that the limitations specified at FAR 16.301-3 are met. Of special importance is the determination that the contract amount, performance period, and expected benefits are sufficient to warrant the additional administrative effort and cost associated with a CPAF contract (see FAR 16.405-2(c)(2)).

Drawbacks of an award fee contract include performance evaluation procedures that can be expensive and time-consuming, and since 1999, contractor claims over award fee determinations

are subject to the Contract Disputes Act. The CO must weigh the administrative burdens of employing the process against the value expected to result from its use. The CPAF contract inherently calls for a significant amount of monitoring and documentation. The demands that the CPAF contract places on personnel must be recognized. As a result, the CO must consider all factors including the resources and willingness of program personnel to support the contract effort.

16.1.5.2 The Fee Arrangement

A) Developing the Fee Arrangement. COs should consider factors such as the complexity of the effort, degree of contractor cost risk, the technical and management resources required, the allocation of hours between the prime contractor and any subcontractors, support to Federal socioeconomic programs, and past performance in developing the amounts for the base fee and award fee pool.

FAR 15.404(c)(4) sets forth the statutory limitations on the fees a Contracting Officer may negotiate. For most cost-plus-fixed-fee contracts, the fixed fee shall not exceed 10% of the estimated cost (excluding fee) of the contract. For research and development CPFF contracts, the maximum fee shall not exceed 15% of the estimated cost (excluding fee). (The cost associated with any facilities capital cost of money is not included in the estimated cost of the contract for purposes of determining the maximum fee payable. Additionally, the fee objective shall then be reduced by an amount equal to the amount of facilities capital cost of money allowed.)

- 1) Base Fee. The base fee (which may be \$0) may not be more than three percent of the estimated cost of the contract.
- 2) Award Fee. The amount negotiated for the award fee pool should be substantial enough to motivate the contractor to provide better than satisfactory contract performance and should also reflect the total effort required to achieve excellent performance under the contract. If the scope of work changes, the maximum dollar amount of the available award fee pool(s) may be adjusted by means of a bilateral contract modification.

The amount of the award fee pool an offeror proposes may not be lower than the floor (lower limit) established by the CO in a CPAF solicitation. The award fee floor prevents offerors from eliminating or proposing an ineffectively low award fee to make their cost proposals more competitive.

Award and base fees combined should not exceed the maximum regulatory fee limitation.

- B) Obligating the Fee. At the time of award, the CO will obligate the total base fee amount and the total award fee pool, except for incrementally funded contracts. For incrementally funded contracts, the CO shall obligate only the initial increment for base and award fee corresponding to the incremental amount obligated for total estimated cost.

16.1.5.3 The Award Fee Plan

- A) Responsibilities. The CO has the final responsibility for preparing the award fee plan. However, significant input regarding the evaluation criteria should be obtained from program office(s). The award fee plan may specify evaluation criteria which are the same as those used to evaluate offerors' proposals, or may specify criteria which are different. The Source Selection Authority (SSA) has the responsibility for approving this plan.
- B) Elements. The award fee plan contains the method for monitoring, assessing, and evaluating contractor performance in order to determine any award fee earned. Generally, the plan includes:
- 1) The method used to compute the award fee pool for each evaluation period; 2)
Performance areas to be evaluated;
 - 3) The award fee performance evaluation criteria and their weights, (if weights are to be used);
 - 4) The procedure to be followed in evaluating performance and determining award fee earned;
 - 5) The frequency and timing of award fee determinations (at least every six months, and not more frequently than every three or four months); and
 - 6) A statement advising the contractor that award fee will be paid only for performance which exceeds the satisfactory level.
- C) Approval. The plan must be approved by the SSA prior to the issuance of the solicitation. (The plan will not include amounts for award fee pools because they will be established at contract award. The award fee pool amounts will be furnished to the SSA when the source selection decision is made.) Any post-award changes to the plan must be accomplished in accordance with paragraph 16.1.5.3F.
- D) Plan Criteria. All award fee plans must include at least one criterion to assess the quality of the contractor's business and contract management. This criterion would cover elements such

as the effective use of personnel, compliance with contract clauses, adherence to small business/small disadvantaged business subcontracting plan goals, responsibility for overall subcontract management, timely notification to the CO of changes in accounting systems or rates, and cost control..

As stated in FAR 16.405-2(b)(2), the criteria and rating plan should motivate the contractor to improve performance in the areas rated, but not at the expense of at least minimally acceptable performance in all other areas. Award fee plans should establish performance standards which are both realistic and conducive to the attainment of excellence.

It is recommended that the number of performance areas selected for rating be between 3 and 5 because of the administrative burden required for evaluation. A smaller number may cause the evaluation to be too limited and a larger number of performance areas may cause the process to be overly cumbersome. See, section 16.1.5.5B for general guidelines in award fee criteria.

E) Contractor self-evaluations. The contractor may be allowed to submit self-evaluations. If self-evaluations are permitted, the scope and restrictions for self-evaluations should be specified in the award fee plan.

The CO should permit contractor self-evaluations when a negative evaluation is anticipated to ensure that the PEB has all necessary information regarding performance. The CO should obtain input from the program office on the need for contractor submission of selfevaluations. Comprehensive, effective monthly progress reports may eliminate the need for contractor self-evaluations. If self-evaluations are allowed, the CO should consider limiting self-evaluations in length and scope so that the PEB can focus on the most critical areas where contractor input may be needed.

F) Changes to the Award Fee Plan. The award fee plan is issued as part of the solicitation and should be a referenced attachment to the awarded contract. The negotiated base and award fee amounts are also included in the awarded contract. After the contract is awarded, the Contracting Officer may make changes to the award fee plan, such as changing the duration of the evaluation period, by issuing a unilateral modification to the contract. Such modifications must be issued at least thirty (30) calendar days before the beginning of the affected evaluation period and must be approved by the Fee Determination Official (FDO) prior to issuance.

16.1.5.4 Roles and Responsibilities

A) Service Center Manager (SCM). The SCM carries out responsibilities of the FDO identified in the following paragraphs.

- B) Fee Determination Official (FDO). The FDO is the SCM. For new procurements, the FDO is named prior to issuance of the solicitation.

The FDO shall not serve on the PEB. Rather, he/she is responsible for reviewing the recommendations of the PEB and making the final decision on the amount of the earned award fee.

- C) Evaluation Coordinator. The evaluation coordinator may or may not be a member of the PEB, but usually serves as the Project Officer (PO) for the contract, unless otherwise designated by the PEB Chairperson. He/she is the Government official responsible for collecting, assimilating, and analyzing all of the data on contract performance submitted by Performance Monitors and the contractor, and briefs the PEB at its meetings.

In zone, national or large contracts, consideration should be given to designating subordinate coordinators to support the primary coordinator.

- D) Performance Evaluation Board (PEB). Composed of a minimum of three individuals, the PEB is that group of Government officials designated by the FDO to evaluate performance and to recommend an appropriate fee to the FDO. The CO and PO recommend and the FDO approves/designates the Chairperson of the PEB and the other members of the PEB. In addition to individuals from the program office, each PEB must include at least one voting member from the contracting activity, either the CO responsible for the contract, or Team Leader to whom the CO reports, or another individual designated by the FDO. A change in the individual membership of the PEB may be required if a named member consistently misses meetings. When possible, at least one voting member should be from outside of the program office organization. PEB membership may also include appropriate technical advisors in a non-voting capacity.

The Chairperson of the PEB should be a senior program official appointed by the SCM. This individual is responsible for conducting the PEB meetings and recommending the final award fee payment. Members of the PEB should not all be subordinate, organizationally, to the Chairperson. This will encourage independent thinking among Board members and will avoid the tendency, which may otherwise occur, to defer to the Chairperson's opinion. Because of the key role the designated Chairperson plays in the award fee process, this responsibility may be redelegated only on a case-by-case basis with the written concurrence of the FDO. However, for zone national or large contracts, consideration should be given to designating alternate chairpersons and members and rotating the location for meetings.

- E) Performance Monitor. Any Government employee designated to observe, assess, and report the technical performance and/or business aspects of a contract. Technical performance monitors may include Work Assignment Managers, Delivery/Task Order POs, or POs. Business performance monitors may include the CO, Contract Specialist, Financial

Administrative CO, and/or the Cost Analyst.

- F) Contracting Officer. The CO has the responsibility for the development and the quality of the award fee plan and reports, the use of appropriate evaluation criteria, compliance with the plan, ensuring the PEB report is supported by relevant facts, and the preparation of contract modifications specifying the award fee pool amounts available for each evaluation period and the earned award fee amounts the contractor is authorized to invoice.

In addition, the CO must ensure that project personnel monitoring performance 1) understand their role and responsibilities in making the award fee process work, 2) follow the award fee plan in the contract, and 3) support the contractor's rating in the PEB report. The CO and PO should meet with the Performance Monitor(s), and all members of the PEB as soon as possible after contract award to review their responsibilities and stress the importance of

timely feedback and of the need to avoid delays in the process. Areas that should be highlighted in this briefing are:

- 1) Although contractors may provide self-evaluations, the ultimate decision on fee payment is made by the FDO, as supported by the PEB report. If the contractor's self evaluation is not received within the time period specified by the Government, the award fee process should proceed without it. The contractor has the opportunity to report progress, accomplishments, and issues in their monthly progress reports.
- 2) The PEB evaluates performance against the terms of the contract, the work assignment, and award fee plan. Evaluation against factors other than these is not allowable.
- 3) Performance Monitors are responsible for evaluating the contractor's overall performance and not the performance of individual contractor employees.
Performance monitors should assess a contractor's performance over the course of the evaluation period. This assessment should not occur only at the end of the evaluation period. They should record notes periodically to be used later by the evaluation coordinator in writing the performance evaluation report. This report is the written evaluation which measures the contractor's performance of work assignments against the award fee plan criteria. Evaluations, in conjunction with invoice reviews, are recommended or as events occur that impact the award fee.
- 4) The CO will address business, financial, and management issues that relate to the contractor at the PEB meeting.
- 5) A CPAF contract, when properly managed, can serve as an incentive to the contractor to achieve effective cost-control.

- 6) The award fee process should not take the place of frequent, honest communication with the contractor on performance issues. The contractor needs technical direction and feedback from the government as the work is being performed to keep projects on track.
 - 7) PEB meetings and determinations should be conducted on a timely basis. Meetings should occur within 30-45 days from the end of each evaluation period. The PEB's report should be completed within 45-60 days from the end of the evaluation period.
 - 8) The evaluation narrative contained in the PEB report should be consistent with the scoring system discussed in section 16.1.5.10. All supporting documentation (e.g., meeting and telephone notes) should be submitted by the Performance Evaluation Monitor to the PEB Evaluation Coordinator.
- G) PEB Executive Secretary. This is an optional position, appointed by the PEB Chairperson. This person is responsible for preparing the official PEB report. Often the PO serves as the PEB Executive Secretary.
- H) Technical Advisors. These are optional positions. These persons possess technical expertise and are responsible for providing technical advice. They are non-voting members of the PEB.

All of the individuals identified in paragraphs A-I are required to comply with the Office of Government ethics regulations at 5 C.F.R. Part 2635. Each individual must certify that he/she is free from actual or potential personal conflicts of interest and is in compliance with the Office of Government Ethics ethics regulations at 5 C.F.R. 2635. Appendix 16.1A is a copy of a COI Certification.

16.1.5.5 The Award Fee Evaluation Procedure

- A) Timely Evaluations. The effectiveness of the award fee process hinges on timely and substantive feedback to the contractor. The PEB should meet within 30-45 days from the end of the evaluation period to begin the process of establishing the award fee for that period. Timely evaluation will encourage improved or sustained excellent performance.
- B) General Guidelines. In evaluating the contractor's performance relative to the evaluation criteria in the award fee plan, it may be helpful to consider the following performance areas, many of which emphasize actions that contribute to excellent performance. However, the performance areas used to evaluate contractor performance listed below are suggestions and not mandatory. This will allow each team of contract monitors who have the responsibility to evaluate contractor performance, the flexibility to establish appropriate performance areas for each contract based on type of contract, scope of work to be performed under the contract,

etc. The plan should include performance areas to cover as a minimum, the contractor's ingenuity/innovativeness, cost efficiency, timeliness, thoroughness, and quality of deliverables.

- Ingenuity - did the contractor seek and develop original solutions to problems that resulted in savings of time, money, level of effort hours, or improvements to performance?
- Responsiveness - did the contractor respond promptly and positively to technical directions?
- Cost efficiency - did the contractor adhere to established budgets; were projects staffed and work assignment strategies developed with an eye towards cost efficiency; did the contractor recommend and perform in ways that result in cost savings to the Government; were the costs reasonable?
- Contract management - did the contractor make diligent efforts to comply with all contract clauses; make immediate disclosure of changes in accounting systems such as indirect rate changes; effectively oversee the work of subcontractors; maintain an adequate purchasing system, as evidenced by approval from a Government contract purchasing system review; make reasonable resolution of audit financial monitoring review (FAR) findings in a timely manner; make appropriate conflict of interest disclosures; submit timely work plans and reports; and achieve small business and small disadvantaged business subcontracting plan goals?
- Project Management - did the contractor use management and technical staff in an economical and effective manner; were too many or too few people assigned to the task; were the appropriate labor classes/categories assigned to the task; was the work scheduled so that it was completed on time without disrupting the progress of other work in process?
- Perceptiveness - did the contractor recognize and notify the PO on technical issues and CO on business/contract management issues and notify them of existing or potential problems and their recommended solutions?
- Thoroughness - did the contractor fully complete tasks and documentation in accordance with contract requirements; did the contractor develop well-thought-out options, analyses, or recommendations for Agency review?
- Timeliness - were the tasks completed on schedule; did the contractor succeed in meeting exceptionally tight deadlines?

- Resourcefulness - did the contractor anticipate needs and take necessary action to handle and mitigate unforeseen problems?
- C) Satisfactory/Unsatisfactory Performance. Each award fee plan must clearly state that no award fee will be earned for performance which is rated either satisfactory or unsatisfactory. Award fee will be earned only for performance which is rated above a satisfactory level. For example, assume the contract award fee plan has five criteria and that, in accordance with the contract, the award fee is allocated equally to the five criteria. For a given performance period, the contractor is rated as excellent on all but two criteria. On one of the two, the contractor's performance is satisfactory and on the other it is unsatisfactory. The contractor would earn no award fee for the portion of the available pool designated for the criteria on which performance was satisfactory and unsatisfactory.
- D) Performance Reporting. Contractor performance is reported by project personnel on EPA Form 1900-41B, CPAF Contract Individual Performance Event, or an alternate form, and submitted to the Evaluation Coordinator. The Evaluation Coordinator will prepare summaries of each performance evaluation criteria. The Evaluation Coordinator will also incorporate contractor self-evaluations, if available. EPA Form 1900-41A, Summary of Significant Performance Events, or an alternate form may be used to summarize evaluations. Copies of these forms are provided as appendices.
- E) PEB Evaluation and Report. The Evaluation Coordinator presents the data on contract performance to the PEB for review and evaluation. The PEB will review the data against each performance evaluation criterion and determine the recommended award fee for each, as well as the total award fee earned by the contractor for the period. The PEB has broad discretion to recommend the award fee, notwithstanding the actual numerical score in a particular criterion. Once the award recommendation is determined, an evaluation report prepared by the PEB Executive Secretary outlining the PEB's rationale is forwarded to the CO. The report must fully convey the aspects of the contractor's performance that were downgraded and how performance can be improved in subsequent award periods.
- The CO will prepare a letter for signature by the FDO informing the contractor's general management of the award fee amount and provide a brief executive summary of the significant accomplishments or deficiencies and the breakdown on the amounts of earned award fee. The CO will forward the Performance Evaluation Report and the letter to the FDO for signature.
- F) Reconciliation of PEB Fee Determination. The earned award fee determination is the responsibility of the FDO. The FDO will review the performance evaluation and fee recommendation and make a final determination of the earned award fee amount. The FDO has broad discretion to determine the appropriate amount, and is not constrained by either the numerical scores in the PEB report or by the PEB's award fee recommendations. The FDO must discuss any differences of opinion he or she has with the PEB Chairperson. If after this

discussion, the FDO's final determination differs from the PEB recommendation, the FDO must document the decision and rationale in writing. The FDO's determination is provided to the Chairperson of the PEB and the CO for inclusion in the contract file, with copies to the Evaluation Coordinator. The earned award fee amounts and adjustments (i.e., subtraction of any unearned award fee amount(s)) to available award fee pool amounts will be reflected in the contract by means of a Standard Form (SF) 30, Amendment of Solicitation/Modification of Contract. The FDO's determination should be completed within 60-90 days from the end of the evaluation period.

The CO will forward the award fee letter to the contractor upon approval by the FDO. The letter must give the contractor detailed information regarding the basis of the earned award fee, clearly describing any aspects of performance that were downgraded and how the contractor's performance can be improved in subsequent award periods.

16.1.5.6 Carryover of Unearned Award Fee

Award fee is earned for each evaluation period. Any unearned award fee remaining after the evaluation of the contractor's performance during that period cannot be carried over into a subsequent evaluation period unless approved by the FDO. The FDO may allow award fee to be carried forward to the next evaluation period only if it is based on the PEB's requirement to defer a fee decision because additional information is needed for making an evaluation. Whenever appropriate, the CO, after consulting with the program office, should take measures to deobligate unearned award fee.

16.1.5.7 Importance of Timely Processing of Award Fee Modifications

Although EPAAR 1516.301-70 authorizes payment of base fee on a provisional basis, provisional payments of earned award fee amounts may not be made. As a result, every effort should be made to issue earned award fee determinations in accordance with the milestones prescribed in 16.1.5.4G, 16.1.5.5A and F. The OAM FDO may waive or modify these time frames on a case-by-case basis when unusual or compelling circumstances exist. Program officials must ensure that the performance standards for PEB Chairpersons include a criterion for extramural resources management, and for completing award fee evaluations in a timely manner. Similarly, the FDO must promptly issue his or her final determination and award fee letters, and must ensure that the Contracting Officer promptly transmits the award fee letters and accompanying contract modifications to the contractor..

16.1.5.8 Award Fee Performance Spectrum

Members of a PEB may diverge widely on what is meant by the terms "unsatisfactory, satisfactory, and excellent" when used in describing a contractor's performance. The CO should meet with board members after contract award to discuss ratings and their significance. The PO

should communicate this information to project personnel to ensure the consistent application of ratings to their work assignments.

Any one of several performance scales may be utilized to evaluate contractor performance, as long as all evaluators use the same system. One approach is to use a system in which a "+" designates excellent performance, a "0" satisfactory performance, and a "-" unsatisfactory performance. Another approach is the use of a performance scale with ratings which vary from 1~ 5. Other scales may be used. The performance scale that is ultimately selected must be tailored to the specific requirements of the procurement. The method by which scores (e.g.: +, 0, or -; 1-5) are converted to percentages must yield results which are consistent with the descriptive ratings provided in this section.

The adjectival rating for each element within the scale must be described in a manner which will allow a rater to discriminate among the alternatives. Separate adjectival ratings will be provided for all criteria identified in the award fee plan. For example, if the award fee plan identifies that five criteria will be evaluated and that a 1-5 scale will be used, then the requirements for excellent and above satisfactory performance under each of the five criteria must be described.

A scoring system of 0-100 will be used to determine the percentage of award fee earned. Award fee will be paid only when the contractor's performance is above satisfactory, that is the score is 71 or above. The score will be applied to the potential award fee pool (e.g., a score of 85 will yield an award fee equal to 85% of the potential fee).

The adjectival rating, associated numerical scores, and descriptions for this scoring system follow. Each rating is descriptive of the contractor's overall performance.

EXCELLENT (86-100) - of exceptional merit; exemplary performance in a timely, efficient, and economical manner; very minor (if any) deficiencies with no adverse effect on overall performance. Contractor must be under cost, on or ahead of schedule, and have provided excellent technical performance.

ABOVE AVERAGE (71-85) - effective performance; fully responsive to contract requirements; reportable deficiencies, but with little identifiable effect on overall performance.

SATISFACTORY (61-70) - meets or slightly exceeds minimum acceptable standards; adequate results; reportable deficiencies with identifiable, but not substantial, effects on overall performance.

POOR/UNSATISFACTORY (0-60) - does not meet minimum acceptable standards in one or more areas; remedial action required in one or more areas; deficiencies in one or more areas which adversely affect overall performance.

APPENDIX 16.1A CONFLICT OF INTEREST CERTIFICATION**INTRODUCTION**

Title 18 United States Code (U.S.C.) Section 208(a) prohibits a Government employee from acting in matters in which the individual has a financial interest. Title 40 C.F.R. Part 3 details the ethical standards for all EPA employees. Section 3.302(c) requires that program officials who perform certain specific duties, including contractual and contract-related duties, shall disclose their financial interests to prevent actual or apparent conflicts of interests.

Name _____

Office _____

Mail Code/Phone No. _____

Contractor(s)

Contract No.

Appendix A to Subpart A, section 208(a) of Title 18, United States Code, prohibits an employee from knowingly participating in an EPA matter in which the employee, the employee's spouse, minor child, present or prospective employer, or organization in which the employee is an officer, has a financial interest. Activities which may affect a financial interest include the negotiation, administration, or auditing of contracts or assistance agreements.

I hereby certify that to the best of my knowledge and belief, I have no information concerning a violation or possible violation of 40 U.S.C. section 3.3, i.e., I am free from actual or potential personal conflicts of interest and am in compliance with Office of Government Ethics ethics regulations at 5 C.F.R. 2635.

Signature

Date

**APPENDIX 16.1B CONTRACT SUMMARY OF SIGNIFICANT PERFORMANCE
OBSERVATION**

CPAF CONTRACT SUMMARY OF SIGNIFICANT PERFORMANCE OBSERVATION				
CONTRACT NO.			CONTRACTOR	
EVALUATION PERIOD			EVALUATION COORDINATOR	
PERFORMANCE EVALUATION CATEGORY				
OBSERVATION NUMBER	PO ASSESSMENT			
	C O N T R A C T O R	M O N I T O R	C O O R D I N A T O R	P E R F O R M A N C E O B S E R V A T I O N C O N S I D E R E D
SIGNIFICANT PERFORMANCE OBSERVATION CONSIDERED				

EPA 1900-41A (12-74)

PERFORMANCE EVENT

CPAF CONTRACT INDIVIDUAL PERFORMANCE EVENT				
CONTRACT NO.		CONTRACTOR		TASK ORDER NO.
REPORTING ELEMENT			DATE(S) OF REPORTED EVENT	
PERFORMANCE EVALUATION CATEGORY				
WAS CONTRACTOR NOTIFIED ? YES NO BY WHOM? WHEN ?				
DESCRIPTION OF PERFORMANCE EVENT				
+, 0, or -		SIGNATURE OF MONITOR		DATE
COORDINATOR'S ASSESSMENT				

April 7, 2004

Contracts Management

+, 0, or -

SIGNATURE OF MONITOR

DATE

EPA FORM 1900-41B (Rev. 4-79)

PREVIOUS EDITION MAY BE USED

DOCUMENT OBJECT

Manual

Section 16.2 Issuance of Task or Delivery Orders Under Multiple Award Contracts

16.2.1 PURPOSE

This section provides guidance for the issuance of task or delivery orders under multiple award indefinite quantity Advisory and Assistance Services (AAS) contracts or indefinite quantity nonAAS contracts in accordance with Federal Acquisition Regulation (FAR) 16.5 and the Federal Acquisition Streamlining Act of 1994 (FASA).

16.2.2 BACKGROUND

FAR section 16.5 prescribes policies and procedures for making awards of indefinite delivery contracts (including indefinite quantity contracts) and establishes either a preference scheme or requirement for making multiple awards of certain types of indefinite quantity contracts. The FAR indicates that indefinite-delivery contracts may provide for any appropriate cost or pricing arrangement under Part 16.

Multiple awards are required for indefinite quantity AAS contracts meeting certain criteria, and are preferred for other types of indefinite quantity contracts, subject to several exceptions. Orders issued under multiple award delivery or task order contracts must comply with certain procedures, which provide each awardee a fair opportunity to be considered for each order in excess of \$2,500.

FAR 16.5 contains relevant definitions, more detailed guidance, and should be consulted when multiple award contracts will be awarded. It should also be consulted concerning whether multiple award contracts should be awarded or whether the contract at issue is exempt from the requirement. The FAR also contains sample solicitation and contract clauses for use in multiple award contracts and solicitations.

This section was originally issued as Chapter 16 of the Contracts Management Manual.

16.2.3 AUTHORITY/APPLICABILITY

The multiple award requirement is not applicable to an acquisition of supplies or services that includes the acquisition of AAS, if the CO determines that the AAS are necessarily incident to, and not a significant component of the contract. The CO determination of AAS as necessarily incident to, and not a significant component of the contract, must be made on a case-by-case basis depending on the circumstances of the acquisition.

A) Applicability of Multiple Award Requirement to AAS Contracts

For AAS contracts under the dollar and term thresholds, there is no requirement or preference in the FAR to make multiple awards; the CO may give preference to making multiple awards in his/her discretion after consultation with the PO. For these contracts, COs may use any appropriate contract type, including cost reimbursement, level of effort or completion, or indefinite quantity. If an indefinite quantity contract is used, there is still no preference or requirement for multiple awards. However, AAS indefinite quantity contracts below the thresholds may be awarded and administered in accordance with the provisions of this section in the COs discretion.

B) Applicability of Multiple Award Requirement for Non-AAS Contracts

Non-AAS contracts may be constructed as indefinite quantity, cost reimbursement, level of effort or completion, or any other appropriate contract type. If an indefinite quantity nonAAS contract is used, COs shall, to the maximum extent practicable, give preference to making multiple awards under one solicitation, in accordance with FAR 16.504(c)(1).

In making the determination as to whether multiple awards are appropriate, COs must exercise sound business judgement as part of acquisition planning and consider certain factors including: whether there is more than one contractor capable of providing performance at the level of quality required; whether more favorable terms and conditions, including pricing, will be provided with a single award; whether the cost of administration of multiple contracts would outweigh the potential benefits from making awards; or whether multiple awards would otherwise not be in the best interests of the Government. FAR 16.504(c)(1) provides added guidance relative to the determination of whether or not to make multiple awards of non-AAS indefinite quantity contracts.

No separate written determination to make a single award is necessary when the determination is contained in a written acquisition plan. When there is no written acquisition plan, a separate determination must be made.

Non-AAS task or delivery order contracts awarded as multiple awards may follow the provisions or principles of this section.

16.2.4 DEFINITIONS

- A) Advisory and Assistance Services - The term AAS has the same meaning as set forth in FAR Subpart 37.201. It refers to the following services when provided by non-Governmental sources: services to support or improve agency policy development, decision-making, management and administration, and/or project management and administration; or R&D activities. Exclusions to the definition of AAS are shown in FAR Subpart 37.202.

- B) Multiple Award - The process for awarding, on the basis of one solicitation, contracts for the same or similar services to two or more sources.
- C) Task Order or Delivery Order Contract - A contract for services or supplies that does not procure or specify a firm quantity of services or supplies (other than a minimum or maximum quantity) and that provides for the issuance of orders for the performance of tasks or the delivery of supplies during the period of the contract.

16.2.5 POLICY

16.2.5.1 Fair Opportunity to be Considered

Whenever multiple awards are made, the CO shall ensure that all contractors awarded such contracts are provided a fair opportunity to be considered, pursuant to the procedures set forth in

the solicitation and contract, for each task or delivery order in excess of \$2,500 unless an exception applies.

When it is determined that the orders will be issued without providing contractors a fair opportunity to be considered for a particular order, the Project Officer (PO) must prepare a written justification based on the factors set forth in FAR 16.505(b)(2) (setting forth the rationale for not providing contractors an opportunity to be considered) for the determination and approval of the CO.

The CO will grant approval only for those circumstances identified in FAR 16.505(b)(2). This justification must be submitted with the procurement request, statement of work (SOW), and independent government cost estimate, if required, for the requirement.

If a contractor believes that it has not been given a fair opportunity to be considered for an order and files a complaint with the cognizant OAM Division Director or designee, the contractor may be provided information from this justification. The information contained in the justification would be released except information containing confidential business information, privileged information or other sensitive information the release of which could be shown to be harmful to the Government.

16.2.5.2 Multiple Awards Contracts

- A) The multiple award ordering procedures in FAR 16.505(b)(1) apply to multiple award indefinite quantity task and delivery order contracts. Each of the multiple award contracts must be a task or delivery order contract. The orders issued under such contracts may be issued on any basis deemed appropriate by the CO and may be issued on a different basis than the underlying contract. In these situations, the contract must contain clauses appropriate to

both the basic contract and the orders. The orders cannot change the scope of work, period of performance, or any ceilings in the basic contract.

B) Each underlying multiple award indefinite quantity contract shall include a guaranteed minimum (shown as dollars or hours) for each contract period based on program requirements

and contractor capacity. The maximum potential value, however, can be a contract maximum and not a period maximum.

1) Contract Minimum:

a) COs should establish a realistic minimum for each contract, such as at least 5~ 10% of the overall estimated total requirement of dollars or hours.

2) Contract Maximum:

a) COs should establish the potential maximum value for each contract awarded as the balance of the overall estimated total requirement (i.e., by deducting the total of the guaranteed minimums in each awardee's contract from the Government's total requirement for all of the multiple award contracts.) This method will ensure that the overall estimated requirement may be met even if any contractor(s) cannot perform or any one contractor were to be issued all of the orders under a contract (except those orders needed to meet contract minimums.)

b) The contract maximum clause must indicate that the maximum represents the Government's total potential requirement for all of the multiple award contracts awarded (minus the total of the guaranteed minimums in each of the contracts), that the Government is not obligated to order the maximum from a contractor, and that the maximum of each contract will ultimately depend on the number and size of the orders received by the contractor under the contract.

16.2.5.3 Task or Delivery Order Statements of Work

Each requirement to be issued as a task or delivery order must contain a detailed Statement of Work (SOW), including key tasks, acceptability criteria for performance, deliverables, and schedules for performance. POs and COs must review SOWs to ensure that no inherently governmental functions are included.

Based on the SOW, COs should identify in the request for offers whether the order will be issued unilaterally or bilaterally. Task or delivery orders may be issued on a bilateral or unilateral basis at

the COs discretion and as appropriate. COs may wish to use bilateral orders when it is desirable to bind the contractor to specific delivery dates, price, or for completion efforts.

16.2.5.4 Independent Government Cost Estimates

Independent Government Cost Estimates are required for new or revised task and delivery orders with a potential value in excess of the FAR threshold for simplified acquisition procedures. COs may require them for orders under the simplified acquisition threshold, if deemed necessary and appropriate.

16.2.5.5 Possible Mechanism for Issuing Orders Under Multiple Award Contracts

If a multiple award AAS or non-AAS indefinite quantity task or delivery order contract is awarded, each awardee of such a contract shall be provided "a fair opportunity to be considered" for each order in excess of \$2,500, unless certain conditions as described in FAR 16.505(b)(2) are met.

In determining the procedures for providing awardees a "fair opportunity to be considered" for each order, COs shall exercise broad discretion and sound business judgement and may consider factors such as past performance, quality of deliverables, cost control, price, cost or other factors that are relevant to the order. The procedures and selection criteria that will be used for issuing orders must be set forth in the contract, as well as in the solicitation.

In determining how to issue orders, COs shall not use any method, such as allocation, that would result in unfair consideration being given to all awardees prior to placing each order. Formal evaluation plans or scoring of offers are not required. COs may use oral proposals or videotaped proposals, and streamlined procedures when selecting an awardee.

COs are encouraged not to request full, written proposals when selecting an awardee for placement of an order. The CO need not contact each of the multiple awardees before selecting an order awardee, if the CO has information available to ensure that each awardee is provided a fair opportunity to be considered for each order.

The following describes possible methods that could be used to satisfy the requirement that each awardee be afforded a fair opportunity to be considered for orders over \$2,500. COs may use other methodologies, consistent with the FAR guidance, to satisfy the "fair opportunity to be considered" standard without requiring a formal deviation to this Section, as long as the contract file is clearly documented to demonstrate how the CO provided each awardee a fair opportunity to be considered for each order over \$2,500.

A) Streamlined Proposal Method Guidelines:

1) Request for Offers

a) The cover memorandum to the SOW for each task or delivery order to be issued will identify the mechanism for requesting offers. COs, in coordination with POs, will determine the appropriate method commensurate with the estimated cost/price of the work, and complexity of the task.

- COs may telephone contractors to identify resource availability for simple, well-defined tasks which only require the contractor to meet a stated schedule.
- COs may telephone contractors to identify resource availability and price/cost for well-defined tasks.
- COs may telephone or issue written requests for oral or videotaped technical offers for tasks where a technical approach is needed. COs may request cost/price information as well.
- COs may telephone or issue written requests for submission of written offers for complex tasks, where a technical approach, as well as resource availability and price/cost or other factors, need to be considered. The request may limit the number of pages for the offer. The limit should be based on the complexity of the task or delivery order. Appendix 16.2A provides a sample request for offer letter.

b) The request for offers will include the SOW, and identify the technical and/or cost/price or other evaluation criteria which will be used to evaluate the offers, if required; the components of the offer (technical and/or price/cost or other factors) to be submitted; the format for submission; the time frame for submission of the offer; the basis for order selection; and any other relevant instructions to the contractor, including those regarding discussions.

16.2.5.6 Offer Participation in the Process for Order Issuance

Upon issuance of the request for offers to all awardees of multiple award contracts, all contractors shall submit to the CO an offer within the time specified in the request. For more complex tasks, the offer may include technical and cost components. However, some may only require cost submissions. Written offers should be submitted in a standardized format.

All multiple awardees will be given a fair opportunity to be considered for each order over \$2,500 (unless an exception applies) and will be required to be available to perform each order over

\$2,500. Each multiple awardee must participate in the order selection process for each order, and be available to perform if selected.

The only acceptable reasons for a contractor's nonparticipation in the order issuance process would be due to an inability to accept or perform the work because of a conflict of interest, capacity problem, or some other compelling factor which the CO determines would affect the contractor's ability to perform the work and justifies its nonparticipation in the order issuance process. The CO should document in writing the reasons justifying the contractor's nonparticipation in the order issuance process for a specific order.

A) The technical component of an offer should include for each major subtask, as appropriate, for the prime and any subcontractor(s):

1) Technical approach to perform the order, if required; 2)

Staffing plan;

3) Delivery Schedule;

4) Resumes of key personnel, if identified; 5)

References; and/or

6) Any other requested information.

B) The price/cost component should include a breakdown of price/costs for each major subtask and an overall summary for the full task for the prime and any subcontractor(s).

Each contractor shall be reimbursed for their offer preparation costs in accordance with its established cost accounting practices. COs should require each offeror to disclose its accounting practice for these costs in its initial proposal responding to the solicitation for multiple awards and evaluate this as part of the cost evaluation for the basic contract award. COs should include a provision in their solicitation setting forth these requirements and include a clause or advance agreement in each contract that sets forth the contractor's accounting practice for these costs.

16.2.5.7 The Evaluation Procedure

A) When technical evaluations are used by the CO for order issuance purposes, the technical evaluation of an offer should be documented using a streamlined, simplified standard format allowing space for strengths, weaknesses/deficiencies, rating, and score, if appropriate. The

evaluation may be handwritten. Appendix 16.2B provide two examples of a completed technical evaluation form; this may be used for documenting technical evaluation of offers.

B) The PO, in conjunction with the CO, will recommend the number of participants in the technical review based on the complexity and/or size of the task or delivery order SOW. The technical evaluation may be:

- 1) Completed by the PO only, with input if necessary from the CO;
- 2) Completed by the Work Assignment Manager (WAM) or Delivery Order Project Officer (DOPO) and approved by the PO and CO;
- 3) Completed by a technical panel, including the WAM or DOPO as members, and approved by the PO and CO.

C) Technical and cost/price or other evaluation criteria will be identified in the request for offer, if appropriate.

1) Technical evaluation criteria may include the following core elements: a)

Technical approach and technical understanding of the SOW;

b) Proposed staffing, type and mix of labor, level of expertise, education, training, appropriate experience;

c) Subtask management (plans for managing tasks, staffing, quality assurance/quality control);

d) Delivery schedule (proposed milestones for completing the task).

2) Cost/price evaluation criteria evaluated by technical and contracting personnel and may include:

a) Mix, level of effort, and reasonableness of rates/costs;

b) Types and quantities of materials, other direct costs;

c) Number of travelers, destination, duration, and location of travel; d)

Escalation factors;

e) Indirect cost rates; and f)

Fee.

3) A conflict of interest statement may be included stating that for conflict of interest reasons, all or some contractors may not be eligible to be considered for issuance of an order.

4) Evaluation criteria may include the following elements: a)

Technical innovation;

b) Available resources (non-direct labor resources, i.e., facilities, methodologies, experience/expertise in use of these resources);

c) Accelerated time of delivery;

d) Past performance under the subject contract-COs are strongly encouraged to use this as an evaluation factor:

- Quality of deliverables;
- Cost control; and
- Validity of cost estimates.

5) The CO may use any other criteria that are appropriate for issuance of an order which result in each awardee being provided a fair opportunity to be considered for each order.

16.2.5.8 Basis for Selection of Awardee to Perform Order

A) The method of selection for issuance of a task or delivery order will be tailored to the specific requirements of the delivery or task order, so long as each offeror is provided a fair opportunity to be considered for each order. The underlying solicitation and contract will disclose the procedures and range of selection methods (if more than one may be used for order issuance purposes) that will or could be used to provide multiple awardees a fair opportunity to be considered for each order.

The selection method may vary from order to order, and may differ from the selection method that resulted in award of the underlying contract. The specific selection method for each order

will be set forth in the request for offers (based on the range of selection methods identified in Contracts

the solicitation and the contract), and will be within the discretion of the CO with recommendation from the PO. Possible order selection methods include:

- 1) Issuance of the order to the contractor with the highest composite score. In this case, the technical and cost components are both scored. The request for offers identifies the formula used to arrive at the composite score, e.g. the technical component is worth 70%, the cost component 20%, and past performance 10%. A sample of this approach is included as Appendix 16.2C, "Award Based on Composite Score."
- 2) Issuance of the order to the contractor offering the greatest value to the Government (technical quality more important than cost/price). In this situation, the order issuance is based primarily on technical quality, with cost as a secondary consideration. This method requires documenting any trade-off decisions in making selection, such as the rationale for paying more for higher technical quality.
- 3) Issuance of the order to the contractor with the lowest evaluated cost, technically acceptable offer. Generally, the technical component of these offers are scored as acceptable or unacceptable rather than given point scores, and order issuance is made to the technically acceptable offer with the lowest evaluated cost/price.

COs may utilize other selection methods so long as they are identified in the solicitation and contract and result in each awardee being given a fair opportunity to be considered for each order.

B) The method for scoring must yield results which are consistent with the basis for selection. If point scores are used, the points assigned must be consistent with the descriptive ratings provided in this section. If adjectival ratings are used, the definition must be consistent with the descriptions provided in this section.

- 1) When offers are point or adjectivally scored, individual evaluation criteria may be scored using a scale of poor, satisfactory, superior or 1, 2, 3 as follows (other scales may be used as long as consistency is provided):
 - a) Poor = 1 = fails to adequately address critical requirements of the SOW and technical evaluation criteria; may satisfy some requirements, but not others; reflects major weaknesses or deficiencies. Could not meet requirements without fundamental changes involving a total re-write or redirection of the offer.
 - b) Satisfactory = 2 = addresses and meets most requirements of the SOW and technical evaluation criteria, with some correctable and minor weaknesses and/or deficiencies noted. Is generally considered to demonstrate at least minimum

requisite experience, qualifications and performance capabilities. Some discussions may be required to address and correct weaknesses or deficiencies.

- c) Superior = 3 = clearly addresses and exceeds requirements of the SOW and technical evaluation criteria with no weaknesses or deficiencies, or very minor, correctable weaknesses or deficiencies noted.
- 2) If offers are not point or adjectivally scored, evaluation criteria should be rated as acceptable or unacceptable in meeting the requirements of the SOW. If this rating approach is used, COs should identify in the request for offers what constitutes an "acceptable" and what constitutes an "unacceptable" rating.

16.2.5.9 Discussions

Issuance of an order may be made based on evaluation of offers without discussions, or on evaluation of offers and discussions. The request for offers will set forth whether or not discussions will be held, or if awards will be based on evaluation with no discussions, or whether the CO reserves the right to have discussions if deemed necessary. The solicitation and the contract will also contain instructions on discussions.

If discussions are held, the CO and, if necessary, the PO or another technical representative, will hold discussions with the contractors after evaluation of offers. Generally, a technical representative should be present when it is necessary to discuss technical issues. A technical representative's presence is optional if discussions concern cost aspects only.

If the CO determines that the presence of a technical representative is not necessary and the PO disagrees, the PO may appeal this decision to one level above the CO for resolution.

The purpose of the discussions will be to ensure understanding of the offer, to discuss weaknesses and/or deficiencies in the offer, and to discuss the Government's position. If discussions are held with one multiple awardee, they generally should be held with all awardees to ensure that all awardees have been provided a fair opportunity to be considered for the order.

16.2.5.10 Documentation

COs should document the contract file for each order issued under a multiple award contract the manner in which each contractor was provided a fair opportunity to be considered for issuance of the order, and the rationale for selection.

16.2.5.11 Offer Approval

Acceptance of the offer may be done as a separate action or by incorporation of the offer into the task or delivery order.

Task or delivery orders may be issued on a bilateral or unilateral basis at the COs discretion and as appropriate. COs may wish to use bilateral orders when it is desirable to bind the contractors to specific delivery dates, price, or for completion efforts.

16.2.5.12 Differences Between "Fair Opportunity to be Considered" Standard for Issuance of Orders Under Multiple Award Contracts and Pre-Award Contract Competitions

- A) There is no requirement for meaningful discussions as part of the multiple award order issuance process.
- B) There is no requirement for preparation of a "competitive range determination" after evaluation of offers as part of the multiple award order issuance process.
- C) There is no requirement to request revised offers or Best and Final Offers for the issuance of orders under multiple award contracts.
- D) There is no required Office of General Counsel or quality assurance review for actions relating to the issuance of orders under multiple award contracts. This review should be requested by the CO if legal issues are involved, or on a case-by-case basis as determined necessary.
- E) Any decisions made in connection with the issuance or proposed issuance of an order under a multiple award task or delivery order contract are not subject to protest to the Agency, General Accounting Office or the General Services Board of Contract Appeals under FAR subpart 33.1 except for a protest on the grounds that the order increases the scope, period, or maximum value of the contract.

In addition, the CO may consider including a clause in the solicitation and contract that indicates that any decisions made in connection with the issuance or proposed issuance of a task or delivery order are not subject to the Disputes clause of the contract, although COs should recognize that such a clause may be deemed unenforceable if contested by the offeror/contractor.

If a contractor believes that it has not been given a fair opportunity to be considered for an order, it may file a complaint with the Task/Delivery Order Ombudsman, who is the cognizant OAM Division Director or designee.

The complaint will be submitted as a letter from the contractor identifying the request for offer and setting forth the reasons that the contractor believes it has not been given a fair opportunity to be considered for the order. The Task/Delivery Order Ombudsman will review the complaint and contract file documentation, and issue their decision by letter back to the contractor with a copy provided to the CO. The CO should include a clause in the solicitation and contract that identifies to whom complaints are to be filed and how the process will operate.

APPENDIX 16.2A SAMPLE REQUEST FOR OFFER LETTER

XYZ Corporation
1234 Main Street
Anywhere, USA 56789

Dear Sir or Madam:

You are hereby requested to submit an offer using the prescribed format in Contract No. 68-W5-XXXX to provide services to be furnished under this contract in accordance with the attached statement of work. You should develop a technical offer, including technical approach, estimated resources, staffing, deliverables, schedule; and develop a cost estimate.

A) Technical approach - The technical offer should describe your understanding of the statement of work and method of execution of the work. Do not paraphrase or repeat the statement of work. It should include identification of any anticipated problems, if any, in completing tasks; and a management plan identifying individual subtasks, schedule milestones, and effort projections by labor category.

B) Schedule - The technical offer should include a timetable for deliverables. C)

Estimated resources and staffing - The offer should include: 1) Identification of anticipated subcontractor and consultant use;

2) Identification of personnel to be assigned, including a staffing plan and accompanying resumes with a description of their relevant background experience and qualifications, and assigned duties within the project. By submission of your offer you certify that all proposed personnel meet any minimum experience and educational requirements stated in the statement of work for the position for which they are proposed.

D) Cost estimate - the technical offer should be accompanied by a breakdown of the estimated

Direct Labor costs and hours to be utilized by labor category, the other direct costs, travel and indirect costs broken out by subtask and by total task.

Your offer will be scored in accordance with the attached evaluation criteria. The task order will be awarded to the contractor with the highest composite score. You are advised that award may be made without discussions.

An original and one copy of your offer are due to me on [insert date]. If mailed, please submit your offer to: John Doe, Contracting Officer, 1200 Pennsylvania Avenue, NW, (380XR), Washington,

D.C. 20460. If hand carried, please deliver your offer to: John Doe, Contracting Officer, 1300 Pennsylvania Avenue, NW, (Ronald Reagan Building), Washington, D.C. 20004.

Sincerely,

John Doe Contracting
Officer

EVALUATION CRITERIA

Technical component - 70 points

Technical Approach - 25 points

Schedule - 15 points

Resources and Staffing - 30 points

Cost component - 20 points

Cost realism and reasonableness - 20 points

Other factors to be scored - 10 points

Past Performance on this contract - 10 points

APPENDIX 16.2B TECHNICAL EVALUATION FORM**Contractor:** Company ABC **Date Evaluation Performed:** 1/17/95**Evaluator:** Jack Smith **Request for Offers Number:** 8

Subfactor	Strengths and/or Weaknesses	Rating	Weight	Score
Technical Approach		2	25	17
Schedule		3	15	15
Resources and Staffing		2	30	20
Total Technical Score				52
Cost Realism and Reasonableness		2	20	13
Past Performance		3	10	10

Contractor: Company XYZ **Date Evaluation Performed:** 1/17/95**Evaluator:** Jack Smith **Request for Offers Number:** 8

Subfactor	Strengths and/or Weaknesses	Rating	Weight	Score
Technical Approach		3	25	25
Schedule		2	15	10
Resources and Staffing		3	30	30
Total Technical Score				65
Cost Realism and Reasonableness		3	20	20
Past Performance		2	10	7

APPENDIX 16.2C AWARD BASED ON COMPOSITE SCORE

ABC Corporation

Technical score 52
Cost score 13
Past Performance score 10

TOTAL SCORE FOR OFFER 75

XYZ Corporation

Technical score 65
Cost score 20
Past Performance score 7

TOTAL SCORE FOR OFFER 92 Task

order issued to XYZ Corporation.